



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

March 30, 2005

Thomas R. Wood
Stoel Rives LLP
900 S.W. Fifth Avenue, Suite 2600
Portland, Oregon 97204

Re: Air Permit Application for Proposed Cabrillo Port
by BHP Billiton International LLC.

Dear Mr. Wood:

I am writing as a follow up to our March 1, 2005 meeting with you, Steve Billiot and Tom Umenhofer. We appreciate BHP's efforts to work on the key remaining outstanding issue on offsetting air emissions from this proposed project. Since BHP is planning to submit revised emissions data and additional information for its air permit application, we are requesting that the following additional information be include in this forthcoming submittal.

1. BACT analysis for submerged combustion vaporizers (SCV)

The application does not propose any controls on the SCVs. BHP is relying on its vendor information that by using a very low NO_x burner, emission from SCVs will be 20 ppm. First, we would like to get any vendor information that supports the claim. Moreover, we would like to get a revised BACT analysis and an explanation and BHP's justification for not installing any controls on SCVs.

2. Power Generation

The application proposes to use gas-fueled internal combustion engines (ICE) to generate electric power required for the project and associated infrastructure activities. These ICEs are expected to emit 9 ppm of NO_x (@3% O₂). We would like to get BHP's justification for using ICEs instead of gas-fired turbines, which would emit significantly less NO_x, using a similar add on controls.

3. Process Flow Diagram

We are requesting a detailed process flow diagram that shows all major equipment and associated air pollution control. We are requesting this diagram to ensure that our anticipated proposed permit's requirements for continuous emissions monitoring (CEM) at emission points are consistent with equipment configuration. Please note that the application is silent on

installing CEMs, but we anticipate requiring CEMs to ensure compliance with the emission limits.

4. Vendor Specifications and Actual Data

Please provide vendor data, specifications, and warranties on air emissions from power generating units and vaporizers. We would also like to get data on actual emissions from similar SCV systems in operation, including the name, location and facility contact, if available.

5. Reference to Licensing-related Documents

Please supplement the application by providing references to specific parts of the license application and/or environmental impact statement (EIS) documents regarding analysis of alternatives, impact on endangered species, impact on growth and how the overall emissions from various vessels are included in the conformity analysis. This cross referencing will help us in preparation for public inquiries.

Finally, we would appreciate it if you could inform us if there is updated information concerning the correct person at BHP to whom future correspondence should be addressed. Should you have any questions concerning the information requested in this letter, please call Nahid Zoueshtiagh at (415) 972-3978.

Sincerely,

Gerardo C. Rios
Chief, Permits Office

email distribution:

Tom Wood, Stoel Rives
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